

ORDINANCE AMENDMENT REVIEW SHEET

Amendment: C20-2022-004 Compatibility on Corridors

Description: Consider an amendment to Title 25 of the City Code to modify compatibility standards as applied to certain projects on certain corridors.

Proposed Language: See attached draft code language and background information.

Summary of proposed code amendment

- The proposed amendment will generally reduce compatibility for a residential or mixed-use project on a defined set of corridors: Medium, Large, or Light Rail Line. For all eligible projects on a corridor:
 - Compatibility will extend 300' in distance (vs 540' today)
 - Compatibility will be triggered by zoning only (not use)
 - An additional 5' of height will be allowed vs current standards
- Projects providing affordable housing may be granted a further reduction in compatibility:
 - Maximum height at a distance of 100' from a triggering property for projects on a light rail line
 - 65' of height at a distance of 100' from a triggering property and 90' of height at 200' from a triggering property on a large corridor
 - 65' of height at a distance of 150' from a triggering property and 90' of height at 250' from a triggering property on a medium corridor
- Minimum parking requirements are reduced for residential or mixed-use corridor properties:
 - 25% of what would otherwise be required for a light rail line or large corridor
 - 50% of what would otherwise be required for a medium corridor

Background: Initiated by City Council [Resolution 20220609-066](#).

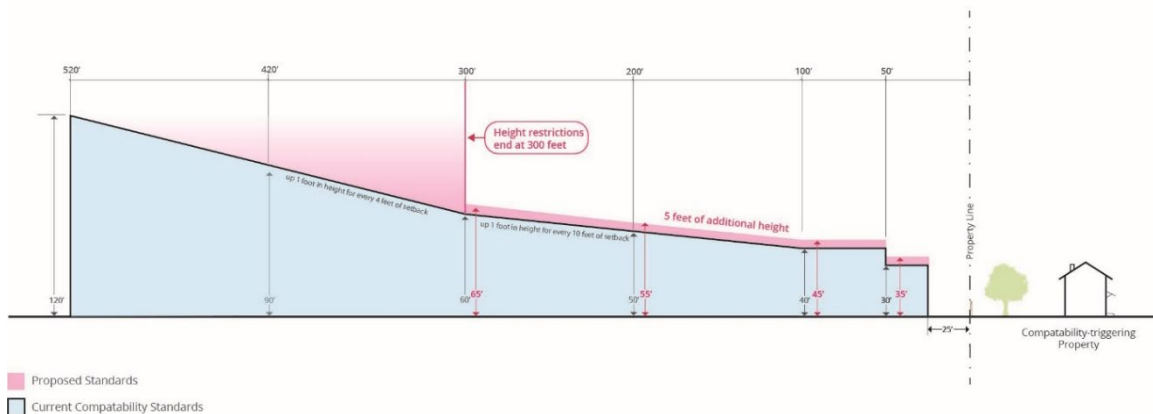
The City of Austin's current compatibility standards apply to sites that are within 540 feet (or nearly two downtown blocks) of the property line of an urban family residence (SF-5) or more restrictive zoning district. Compatibility standards also apply when a site is adjacent to a lot on which a use permitted in an SF-5 or more restrictive zoning district is located.

Current compatibility standards include:

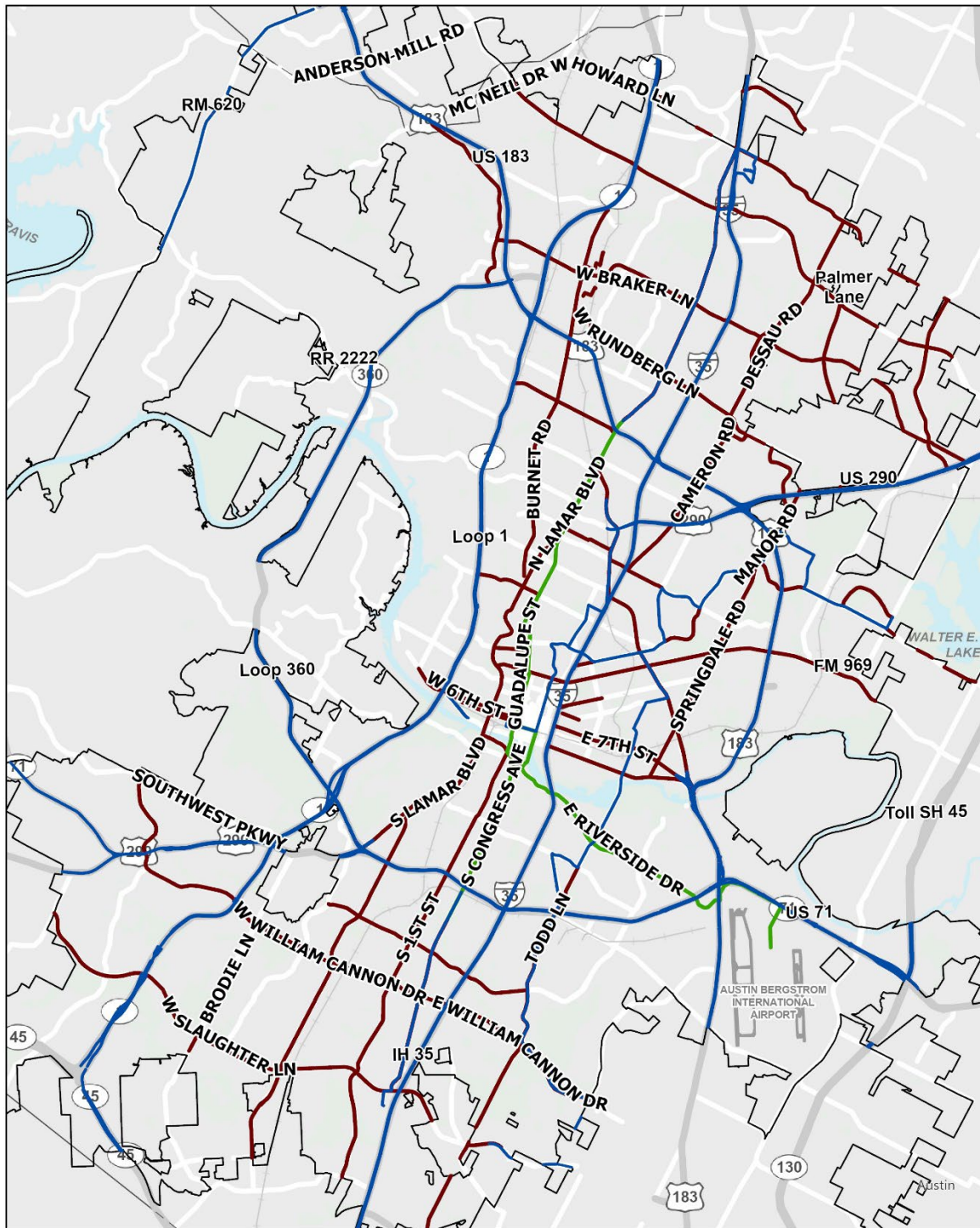
- Height and Setback Limitations
- Scale and Clustering Requirements
- Screening Requirements

The dimensional characteristics of the City's current compatibility standards are shown in the image below, with annotations in pink text showing the proposed compatibility standards along light rail lines, large corridors, and medium corridors as defined in the ordinance:

Existing Compatibility Standards and Proposed Compatibility Standards Along Specified Corridors



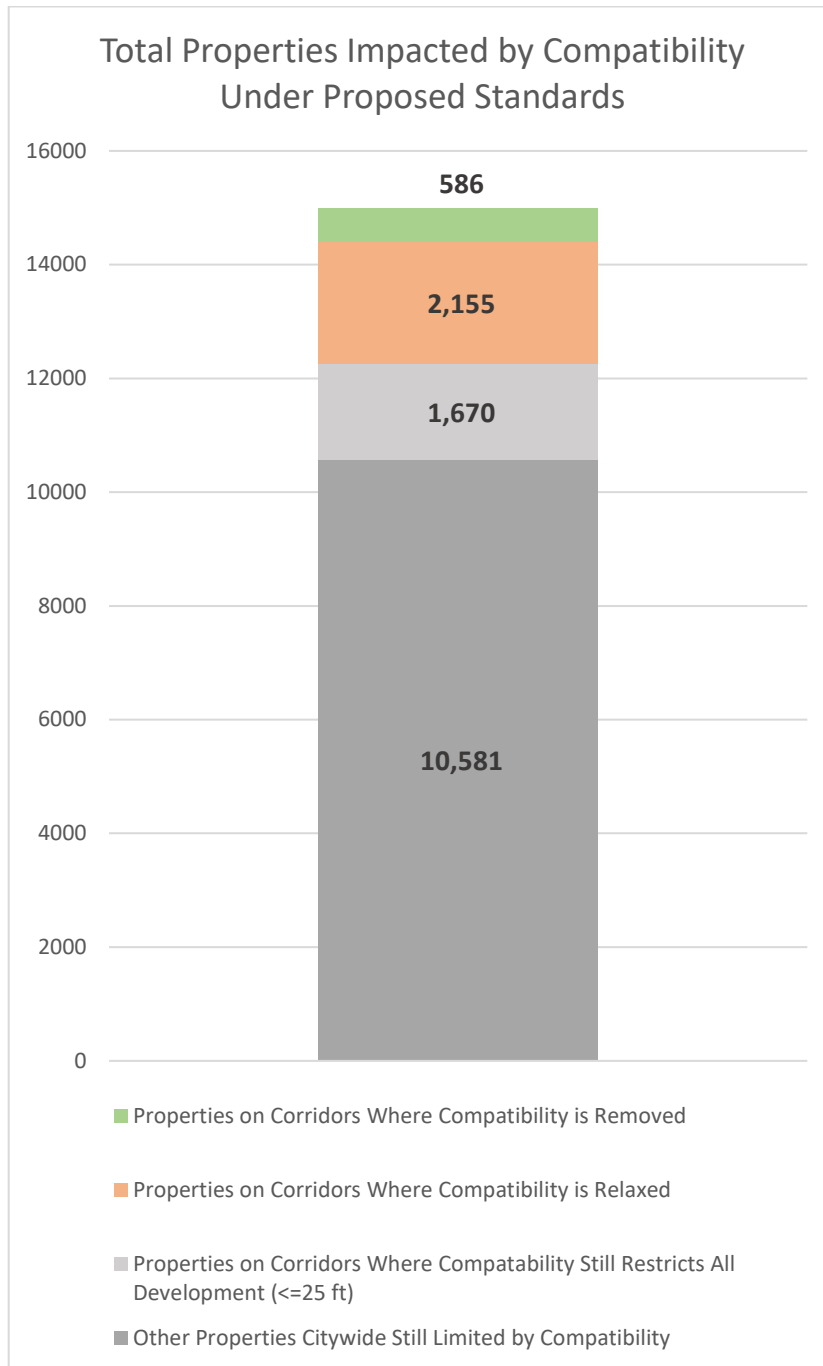
In June 2022, City Council adopted a resolution that directed staff to modify the application of compatibility to projects on certain corridors (see Corridor Types map, below), such that compatibility would generally be reduced by stopping the reach of compatibility at 300' from a triggering property (or about one city block length) and allowing an additional 5' in height to current height limits (see figure above). In addition, projects providing affordable housing would be granted greater relief from compatibility (see attached presentation for additional changes to compatibility if affordable housing is provided). Minimum parking requirements would also be reduced for all residential or mixed-use projects on certain corridors.

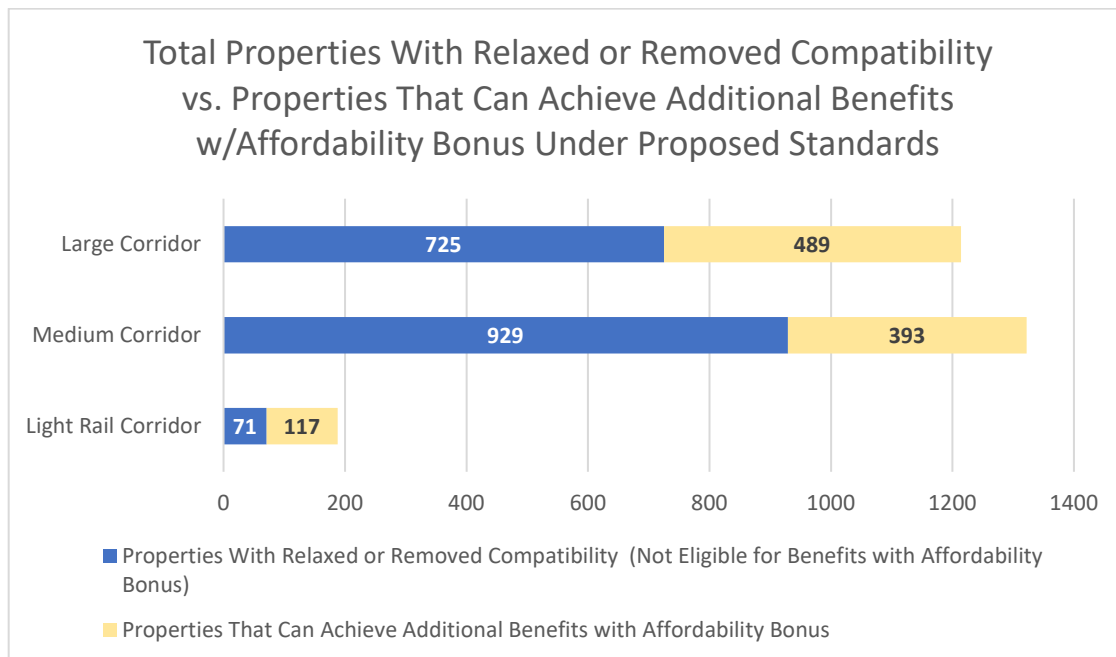
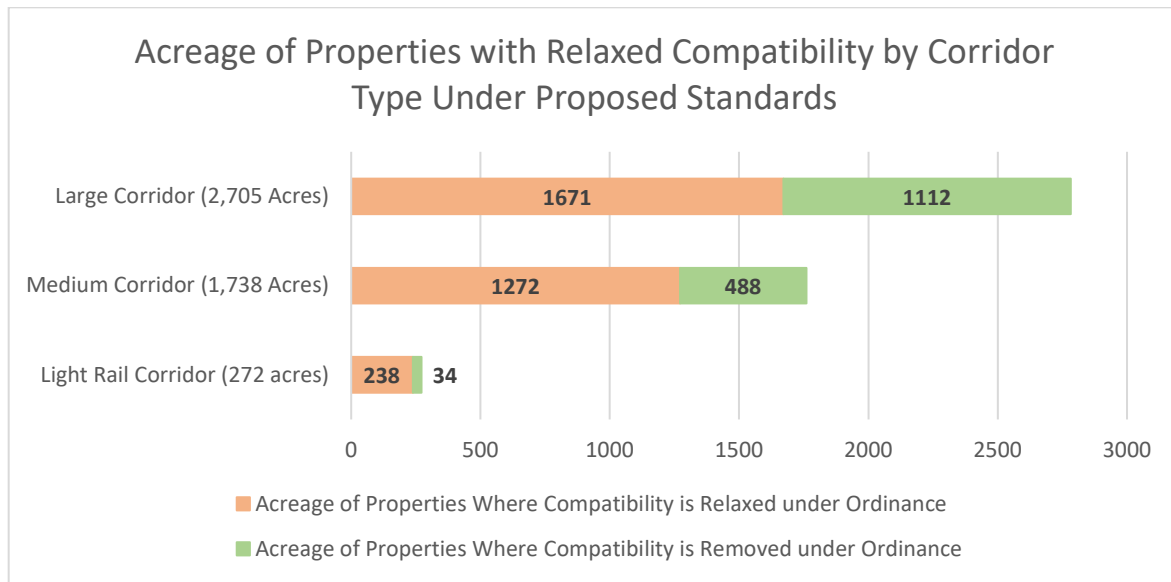


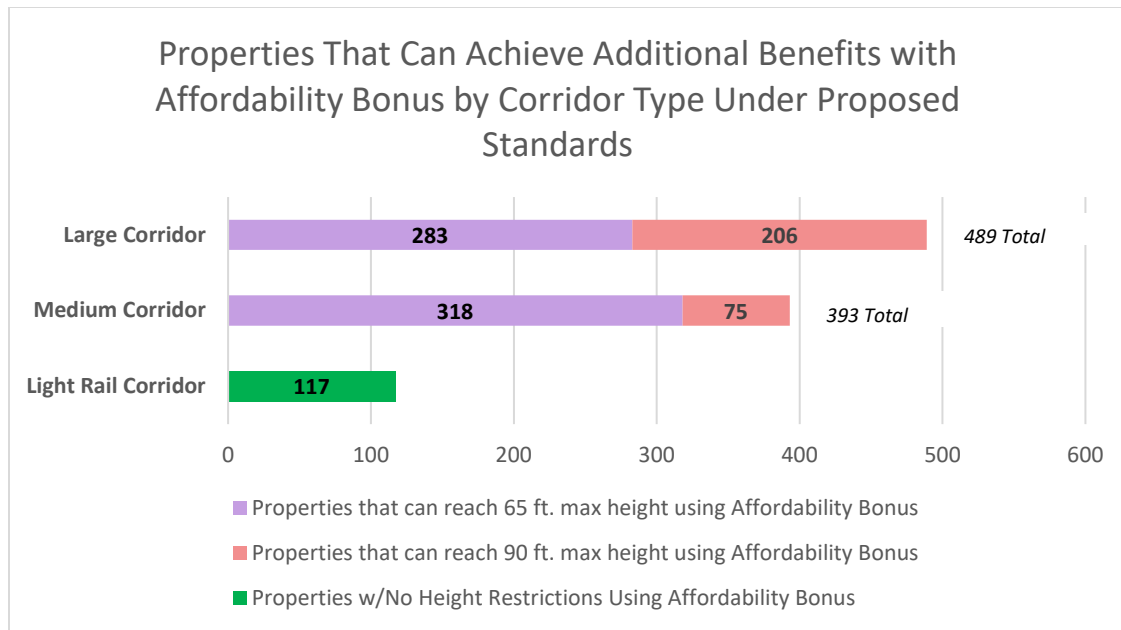
- Full Purpose City of Austin Boundaries
- Large Corridor
- Light Rail
- Medium Corridor

Staff Recommendation: Not recommended as drafted. Staff recommends postponement of this item in order to undertake a broader process to evaluate options for refining compatibility standards in the context of the wide array of development tradeoffs, including affordability, mobility, environment, and equity. Specifically, there are two primary issues with the item as drafted:

1. **Minimal Impact:** These modifications would allow only a small subset of corridor properties (already itself a subset of all citywide properties where compatibility is limiting the number of people who can live near transit, goods, and services) to benefit from relaxed compatibility:
 - Most corridor properties would be granted an additional 5' in height with this proposal; however, this is not enough to accommodate an additional story of development;
 - Only a small subset of corridor properties (13%) would have compatibility completely removed, assuming no participation in the density bonus (see Total Properties Impacted by Compatibility Under Proposed Standards, below);
 - Only a subset of corridor properties would have compatibility mostly removed, assuming there is participation in the density bonus (see Total Properties With Relaxed or Removed Compatibility vs. Properties That Can Achieve Additional Benefits w/Affordability Bonus Under Proposed Standards, below):
 - Light rail corridor: 62%
 - Large corridor: 40%
 - Medium corridor: 30%
 - The proposed affordability bonus program doesn't relax the applicable compatibility regulations enough to be likely to incentivize the number of affordable units required for the bonus such that it is unlikely to be used unless a developer is participating in another bonus program.
 - A majority of corridor properties are too close to triggering properties to benefit from the proposed changes, even if projects participate in the affordable housing bonus.
2. **Additional Complexity:** These modifications would add complexity to the code by:
 - Applying two new compatibility standards that differ from current compatibility regulations, resulting in up to three separate compatibility standards that could apply to a corridor property, depending on how the property is used;
 - The proposed amendments will be unpredictable for staff, developers, and the public; standards will depend on how corridor properties are used and triggering properties are zoned.







HPD staff generally supports revising compatibility standards to better reflect City policy goals and to increase housing along transit corridors to enable more people to live in walking distance to transit, with a focus on incentivizing affordable units; however, these proposed draft code amendments have the potential to create considerable administrative burden while providing a fairly small benefit in terms of additional housing units and affordability.

Staff would recommend reconsideration of compatibility changes as part of a broader discussion of amendments being made to the code, many of which are or have been drawn from the 2019-2020 Land Development Code (LDC) Revision. As such, the proposed compatibility standards of the draft LDC could be considered or used as starting point; these standards considerably simplified the application of compatibility by triggering based on adjacent zone only, ending the reach of compatibility at 100' of distance, and allowing developments with on-site affordable housing to be exempted from compatibility step-backs. The draft LDC proposal is also more in line with how Austin's peer cities regulate compatibility, with Austin's current standards being extremely conservative by comparison, which limits the number of households who can live in proximity to transit, goods, and services.

Board and Commission Actions

October 19, 2022: Discussed by the Codes and Ordinances Joint Committee, no affirmative vote for a recommendation in support or opposition to the item was achieved.

November 8, 2022: A public hearing will be held by Planning Commission.

Council Action

December 1, 2022: A public hearing has been scheduled.

Ordinance Number: NA

City Staff: Greg Dutton **Phone:** (512) 974-3509 **Email:** greg.dutton@austintexas.gov

ATTACHMENT A: Existing Compatibility Requirements, Changes Proposed in 2019 Land Development Code Revisions, and Compatibility Standards in Other Cities

The City of Austin’s current compatibility standards apply to sites that are within 540 feet (or nearly two downtown blocks) of the property line of an urban family residence (SF-5) or more restrictive zoning district. Compatibility standards also apply when a site is adjacent to a lot on which a use permitted in an SF-5 or more restrictive zoning district is located.

Current compatibility standards include:

- Height and Setback Limitations
- Scale and Clustering Requirements
- Screening Requirements
- Design Regulations

The table below shows the dimensional characteristics of the City’s current compatibility standards and what was proposed in the LDC Revision Draft 2.

	Side Setback	Rear Setback	Height limit within 50'	Height limit within 100'	Height limit beyond 100'
Austin’s Current Standards	15 to 25 feet ⁴	15 to 25 feet ⁴	30 feet & 2 stories	40 feet & 3 stories	Gradually increases until 540' from triggering property ⁵
LDC Revision Draft 2 Proposed Standards	15 to 20 feet ¹	30 feet ²	35 feet ³	45 feet ³	Height max. of zone

¹ Dependent on lot width and zone, higher for industrial zones

² Greater for some industrial zones

³ Some zones with a higher base/bonus height not subject to compatibility

⁴ Dependent on length of street frontage and site size

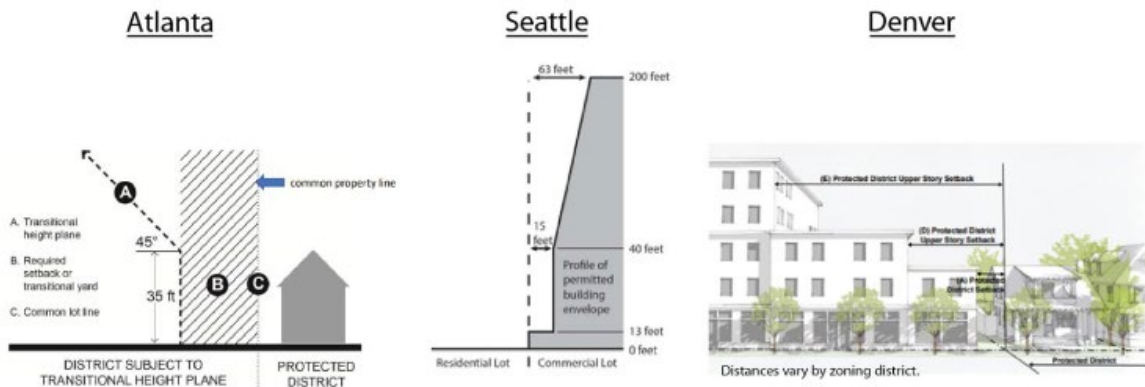
⁵ Height limit ends at 100' if the triggering property is based on use rather than zoning

Compatibility standards in other cities:

Compared to similar regulations in Atlanta, Denver, and Seattle, Austin’s compatibility standards are significantly more restrictive. All three cities have regulations that require additional setbacks and height limits adjacent to low-density residential zoning districts, known as “protected districts”. In Atlanta, setbacks vary by zoning district, but under the 45-degree plane (see below) a building can reach at least 110 feet in height at 100 feet from the protected district’s property line. Seattle has the least restrictive height restrictions with buildings able to reach over 300 feet in height at 100 feet from the residential property line. In Denver, zoning districts with a height maximum of 70 feet can reach full height at 40 feet from protected district’s property line. Generally, zoning districts that allow more height are limited to 75 feet within 175 feet of the

protected district; however, this height restriction does not apply to all zoning districts, building forms, and contexts.

Other cities researched do not include use-based compatibility standards and rely solely on zoning districts to trigger compatibility standards; Austin currently utilizes both zoning district and existing uses to trigger compatibility. Additional research is needed to examine potential unintended consequences of amending use-based compatibility standards. Single family uses within Commercial Zoning Districts appear to be more frequently located within the Eastern Crescent and track with historically liberal application of higher intensity zoning districts within Communities of Color.



RESOLUTION NO. 20220609-066

WHEREAS, Austin is facing an affordability crisis as the housing market reaches record rents and home prices; and

WHEREAS, City Council has recently passed a number of resolutions to address affordability and housing supply, including reforms for accessory dwelling units, Vertical Mixed Use, Equitable Transit Oriented Development, and affordable housing bonus programs for commercial zones; and

WHEREAS, Austin voters approved substantial investments in corridor improvements, active transportation, and Project Connect in 2016, 2018, and 2020; and

WHEREAS, current compatibility regulations, established in the 1980s, limit housing capacity on corridors by limiting the height of developments of properties within 540 feet of single-family properties, which is significantly more restrictive compared to cities with similar regulations; and

WHEREAS, current parking minimums may require more parking than currently needed and conflict with the City's goal of reaching a 50/50 transportation mode share; and

WHEREAS, moderate changes to compatibility and parking regulations on corridors would increase affordable and market-rate housing supply and support the City's transit investments; and

WHEREAS, Planning Commission, Zoning and Platting Commission, City Council, and community members have provided substantial feedback in the last 10 years on potential changes to the compatibility regulations and parking minimums; and

WHEREAS, the Austin City Council is committed to enacting policy changes to increase housing capacity and support transit investments on corridors;
NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council initiates the following amendments to City Code Title 25 (*Land Development Code*) to increase housing capacity and support transit investments on corridors by relaxing compatibility regulations and reducing parking minimums. It is Council's intent that these amendments apply to a property that is front-facing or side-facing a corridor. It is Council's intent that these amendments apply when the property's existing compatibility or parking regulations are more restrictive.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to prepare a code amendment that accomplishes the following for a property located on a Light Rail, Larger, or Medium Corridor:

1. Defines Light Rail Corridors to include Project Connect Light Rail Lines and their Future Extensions (i.e. Orange and Blue Lines);

2. Defines Larger Corridors to include:
 - a. Austin Strategic Mobility Plan (ASMP) Level 5 Streets (i.e., major highways); and
 - b. Project Connect MetroRapid Routes (i.e., Expo Center, Pleasant Valley, Burnet to Menchaca & Oak Hill* [exact route still under development], and Gold Lines), excluding Future Extensions.
3. Defines Medium Corridors to include:
 - a. Imagine Austin Corridors that have been constructed but do not qualify as Light Rail or Larger Corridors; and
 - b. 2016 Bond Corridor Construction Program corridors that do not qualify as Light Rail or Larger Corridors.
4. Modifies the compatibility height and setback regulations to:
 - a. limit the applicability to properties located on the same side of corridors;
 - b. tie the applicability to zoning classification, rather than existing land use;
 - c. end compatibility regulations at a 300' distance from the nearest triggering property;

- d. for any residential or mixed-use property on a corridor, allow more flexibility for what can be located in the 25' setback but not including dumpsters and with consideration of locating green infrastructure, landscape buffering, and green walls and solid fencing for sound attenuation;
 - e. for any residential or mixed-use property on a corridor, amend City Code Sections 25-2-1062 and 25-2-1063 to:
 - i. increase height from 30' to 35';
 - ii. increase height from 40' to 45';
 - iii. increase height from 50' to 55'; and
 - f. exempt the following from compatibility regulations:
 - i. any residential use permitted in an SF-6 or more restrictive zoning district and developed in accordance with site development standards allowed within an SF-6 or more restrictive zoning district; and
 - ii. any building consisting of only residential uses with a maximum of 12 units and a maximum of 35' height.
5. Creates a bonus program for a property on a corridor that provides on-site affordable units and allows:

- a. properties on Light Rail Corridors to end compatibility height and setback regulations at 100' distance from the nearest triggering property; and
 - b. properties on Larger Corridors to:
 - i. reach 65' height at 100' distance,
 - ii. reach 90' height at 200' distance; and
 - c. properties on Medium Corridors to:
 - i. reach 65' height at 150' distance,
 - ii. reach 90' height at 250' distance; and
 - d. properties utilizing fee-in-lieu options to be eligible only if and when the fees are updated to match the equivalent of on-site construction costs.
6. Except for accessible parking, modifies parking for a residential or mixed-use property on a corridor as follows:
- a. require a property on a Light Rail or Larger Corridor to build only 25% of the parking currently required;
 - b. require a property on a Medium Corridor to build only 50% of the parking currently required; and
7. Require a property on a Light Rail, Larger, or Medium Corridor and within 300 feet from a school to maintain existing parking regulations.
8. Prohibit Type 2 and Type 3 short term rental (STR) use in units along these corridors.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to explore the following ideas and, if feasible, include these ideas in the code amendment:

1. with the goal of promoting the use of more sustainable, climate-friendly transportation modes, explore the advantages of requiring implementation of Transportation Demand Management (TDM) measures in the recently updated Transportation Criteria Manual to qualify for the parking reductions, and with Austin Transportation Department Director approval, achieve further reductions as part of a tiered system that applies multiple TDM measures to a development;
2. appropriate reduction in parking requirements for a property on a Larger or Medium Corridor and within 300 feet of a school in exchange for construction of multi-bedroom units; and
3. applying Light Rail or Larger Corridor regulations to Transit Oriented Developments (TODs) and Regulating Plans where current regulations are more restrictive;
4. provide analysis of the affordable housing capacity yield of this Resolution; and
5. explore limiting triggering for civic uses and non-residential uses in residentially-zoned areas.

BE IT FURTHER RESOLVED:

The City Manager is directed to explore collaborating with local school districts on reserving public street space for school use.

BE IT FURTHER RESOLVED:

Provide modeling and visual analysis for a variety of lot sizes and depths.

BE IT FURTHER RESOLVED:

The City Manager is directed to bring an ordinance for Council consideration no later than September 2022.

ADOPTED: June 9, 2022

ATTEST:

G. Brady for

Myrna Rios
City Clerk

TITLE 25. - LAND DEVELOPMENT.
CHAPTER 25-2. - ZONING.
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We will update sections and references as we get closer to Council consideration.

§ 25-2-32 ZONING DISTRICTS AND MAP CODES.

(A) This section provides the City's zoning districts and the corresponding zoning map codes. A zoning district may be referred to by its map code.

(F) Combining districts and map codes are as follows:

(20)university neighborhood overlay.... UNO

(21)corridor overlay COR

This is consistent with how UNO is handled.

Division 6. Combining and Overlay Districts.

§ 25-2-181 CORRIDOR OVERLAY (COR) DISTRICT PURPOSE AND BOUNDARIES.

(A) The purpose of the corridor overlay is to increase housing capacity and support transit investments on certain roadways by relaxing compatibility regulations and reducing parking minimums.

(B) The boundaries of the COR district are identified in Section 25-2-769.03 (Corridor Roadways).

This is a new section in Division 6 of Subchapter A of Chapter 25-2

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ARTICLE 3. ADDITIONAL REQUIREMENTS FOR CERTAIN DISTRICTS.

Division 13. Corridor Overlay.

This is a new division within
Article 3 of Subchapter C in
Chapter 25-2

§ 25-2-769.01 APPLICABILITY.

- (A) This division applies to a site within the zoning jurisdiction that is:
- (1) developed, zoned, or used as residential; and
 - (2) front-facing or side-facing a roadway that qualifies as light rail line, medium corridor, or larger corridor.
- (B) This division governs over a conflicting provision of this title or other ordinance unless the conflicting provision is less restrictive.

§ 25-2-769.02 DEFINITIONS.

In this division, the following definitions apply:

- (1) CORRIDOR means a roadway that qualifies as a larger corridor, light rail line, or medium corridor.
- (2) CORRIDOR SITE means a site that is front-facing or side-facing a corridor.
- (3) LARGER CORRIDOR means a roadway described in Section 25-2-769.03(C).
- (4) LIGHT RAIL LINE means the light rail depicted on Exhibit A attached to Resolution No. 20200807-003 (*Project Connect Contract with the Voters*).
- (5) MEDIUM CORRIDOR means a roadway described in Section 25-2-769.03(B).
- (6) TRIGGERING PROPERTY means a property zoned SF-5 or more restrictive

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§ 25-2-769.03 CORRIDOR ROADWAYS.

- (A) A site is located along a light rail line when the site front-faces or side-faces one of the following streets:
- (1) Center Ridge Drive between North I.H.-35 Frontage Road and Center Line Pass;
 - (2) North Lamar Boulevard between West Guadalupe Street and the south curb of West Howard Lane;
 - (3) West Guadalupe Street between Guadalupe Street and North Lamar Boulevard;
 - (4) Guadalupe Street between 45th Street and West Cesar Chavez Street;
 - (5) West Riverside Drive between South 1st Street and South Congress Avenue;
 - (6) South Congress Avenue between Riverside Drive and Ralph Ablanedo Drive;
 - (7) East State Highway 71 Frontage Roads between Spirit of Texas Drive and South U.S. Highway 183;
 - (8) Riverside Drive between South U.S. Highway 183 and South Congress Avenue;
 - (9) Trinity Street between its terminus south of Cesar Chavez and East 4th Street; and
 - (10) 4th Street between Trinity Street and Guadalupe Street.

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We will be adding the street names and segments as this amendment goes through the process.

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- (B) A site is located along a medium corridor when the site front-faces or side-faces one of the following streets:
 - (C) A site is located along a larger corridor when the site front-faces or side-faces one of the following streets:

§ 25-2-769.04 COMPATIBILITY AND SETBACKS.

- (A) Except as provided in this division, Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) and Section 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) do not apply to a corridor site.
- (B) Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) and Section 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) apply to a corridor site when:
 - (1) a triggering property adjoins the corridor site;
 - (2) a structure is located within 300 feet of a triggering property;
 - (3) a residential use that is not developed in accordance with site development standards applicable to a SF-6 or more restrictive zoning district;
 - (4) a structure that includes non-residential uses; or
 - (5) a structure that includes more than 12 dwelling units; or
 - (6) the structure height exceeds 35 feet.
- (C) The 25-foot setback required in Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) and Section 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) may include:

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(1) XXXXX

Staff is still considering ideas about what
can be placed in this area.

(2) XXXXXX

(D) The height limitation for a structure is:

- (1) two stories and 35 feet, if the structure is 50 feet or less from a triggering property;
- (2) three stories and 45 feet, if the structure is more than 50 feet and not more than 100 feet from a triggering property; or
- (3) for a structure more than 100 feet but not more than 300 feet from a triggering property, 45 feet plus one foot for each 10 feet of distance in excess of 100 feet from the triggering property.

§ 25-2-769.05 PROHIBITED USE.

A dwelling unit may not be used as a short-term rental Type 2 or Type 3.

§ 25-2-769.06 AFFORDABLE HOUSING BONUSES.

- (A) A development is eligible for the bonuses in this section if the requirements in this section are satisfied.
- (B) In this section, director means the director of the Housing and Planning Department.
- (C) A proposed development that will require the applicant to redevelop or rebuild an existing multi-family structure is eligible for this program if:
 - (1) the existing multi-family structure requires extensive repairs and for which rehabilitation costs will exceed 50 percent of the market value, as determined by the building official;

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- (2) the proposed development will replace all existing units that were affordable to a household earning 80 percent MFI or below in the previous year and have at least as many bedrooms;
- (3) the applicant provides current tenants with:
 - (a) notice and information about the proposed development on a form approved by the director; and
 - (b) relocation benefits that are consistent with Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C.A. 4601, et seq.; and
- (4) the applicant grants current tenants the option to lease a unit of comparable affordability and size following completion of redevelopment.

(D) Minimum Affordability Requirements.

- (1) For a development with rental dwelling units, at least 10 percent of the rental dwelling units must serve households whose incomes are 60 percent MFI or below.
- (2) For a development with owner-occupied dwelling units, at least 10 percent of the owner-occupied dwelling units must serve households whose incomes are 80 percent MFI or below.
- (3) If the number of units required in this section includes less than a whole unit, the unit number is rounded up to the nearest whole unit.
- (4) The minimum affordability period for rental dwelling units is 40 years following the last certificate of occupancy required for the development.

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- (5) The minimum affordability period for owner-occupied dwelling units is 99 years following the issuance of a certificate of occupancy for the owner-occupied dwelling unit.
 - (6) In a multi-phased development, the director may begin the minimum affordability period upon the issuance of the last certificate of occupancy for each phase.
- (E) Certification, Post-Construction Requirements, and Penalty.
- (1) The director is responsible for certifying whether a proposed development satisfies the exemption and bonus requirements.
 - (2) The applicant shall submit an application to the director demonstrating the proposed development satisfies the requirements in this subsection.
 - (3) If the director certifies that a proposed development satisfies the requirements of this section, the accountable official is authorized to process a development application under Subsection (X).
 - (4) Before the director may certify the proposed development, the applicant shall execute:
 - (a) an agreement to preserve the requirements in this section; and
 - (b) a document for recording in the real property records providing notice of or preserves the requirements in this section.
 - (5) The form of the document described in Subsection (X) must be approved by the city attorney.
 - (6) The applicant shall pay all fees, provide documentation, and fulfill any pre-occupancy requirements prior to the issuance of a certificate of occupancy.

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- (7) The agreement required in Subsection (X) must, at a minimum:
- (a) prohibit discrimination on the basis of an individual's source of income as defined in Section 5-1-13 (*Definitions*);
 - (b) require dispersion of affordable units throughout the residential units;
 - (c) require equal access and use of on-site amenities, common areas, and parking facilities;
 - (d) require shared access routes for affordable units and market-rate units;
 - (e) require that affordable units include interior components that are functionally equivalent to market-rate units; and
 - (f) require the applicant to incorporate lease provisions related to a tenant's right to organize that are consistent with 24 C.F.R. 245.100, the lease addendum required as a condition to receive City of Austin Housing Finance Corporation funds, or City Code requirement.
- (8) Unless otherwise approved by the director, the bedroom count for affordable units shall be comparable to the bedroom count for market rate units. At the discretion of the director, two-bedroom or three-bedroom affordable units may count as two or three, one-bedroom (efficiency) affordable units.
- (9) Affordable rental units may be rotated within the structure, provided that the total number of required affordable units remains in compliance with the affordability requirements for the affordability period.
- (10) Simultaneous Availability of Affordable Units.

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- (a) In a single-phase housing development, affordable units must be available for occupancy concurrently with the market-rate units.
 - (b) For a multi-phase housing development, an applicant must submit a development phasing plan that demonstrates how the market rate units and the affordable units will be made available concurrently. This plan must be included as an attachment to the agreement described in Subsection (XXX).
- (11) An applicant shall prepare and follow an affirmative marketing and outreach plan for the duration the affordable period, in a form consistent with the U.S. Department of Housing and Urban Development regulations and approved by the director.
- (12) Affordability Post-Construction Compliance and Penalty.
- (a) For development with rental dwelling units, the owner shall provide the director with information that allows the director to verify compliance with the affordability requirements. The information shall be provided on an annual basis and on a form approved by the director.
 - (b) If, for any reason, the director is unable to confirm that the affordability requirements were met during any 12-month period, the preceding 12 months may not be used to satisfy the affordability period.
 - (c) For an ownership affordable unit, each homebuyer at the time of purchase shall execute a resale restriction agreement in a form approved by the city attorney for recording in the real property records.
 - (d) A person commits an offense if the person fails to comply with the requirement in Subsection (a). A culpable mental state is

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not required and need not be proved. A person commits a separate offense for each day the person fails to provide the documentation. Each offense is punishable by a fine not to exceed \$500.

(F) Bonuses.

- (1) This subsection governs over a conflicting provision of this division.
- (2) For a site located on a light rail line, Sections 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) and 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) apply only to a structure located within 100 feet of a triggering property.
- (3) For a site located on a larger corridor, the maximum height for a structure is:
 - (a) 65 feet if the structure is located at least 100 feet from a triggering property; or
 - (b) 90 feet if the structure is located at least 200 feet from a triggering property.
- (4) For a site located on a medium corridor, the maximum height for a structure is:
 - (a) 65 feet if the structure is located at least 150 feet from a triggering property; or
 - (b) 90 feet if the structure is located at least 250 feet from a triggering property.

(F) Fee-In-Lieu.

- (1) An applicant may pay a fee-in-lieu of on-site affordable units if:

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- (a) the fee-in-lieu of on-site affordable units is sufficient to construct the number of dwelling units that would have been required on-site; and
 - (b) the director authorizes the applicant to pay a fee-in-lieu.
- (2) The director may authorize an applicant to pay a fee-in-lieu after the fee-in-lieu per dwelling unit is set by separate ordinance.
- (3) The director may adopt administrative rules in accordance with Chapter 1-2 (*Administrative Rules*) to implement this subsection.
-

§ 25-6-471 OFF-STREET PARKING FACILITY REQUIRED.

- (A) An applicant must provide an off-street parking facility for:
- (1) a new building;
 - (2) a new use;
 - (3) an addition to or enlargement of an existing building or use; or
 - (4) a change of occupancy or operation that increases the number of needed parking spaces above the existing spaces.
- (B) Except as provided in Subsection (C), additional parking facilities required under this section are required only for the addition, enlargement, or change, and not for the entire building or use.
- (C) An addition, enlargement, or change in use for a cocktail lounge or a restaurant with a late-hours permit is required to meet parking facility requirements for the entire building or use.

The inclusion of this section is to address the parking changes requested by Council. Additions are underlined and found on the next 2 pages.

TITLE 25. - LAND DEVELOPMENT.
CHAPTER 25-2. - ZONING.
COMPATIBILITY ON CORRIDORS
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- (D) Except as provided by Section 25-6-501 (*Off-Site Parking Allowed*), a parking facility required under this article must be located on the same site as the use for which the facility is required.
- (E) If an applicant provides more parking spaces for a use than prescribed under this article or under an approved site plan, the excess spaces may be considered for another use under Section 25-6-501 (*Off-Site Parking Allowed*).
- (F) Except as provided in Section 25-6-478 (*Parking For Mixed Use Developments*), the parking facility requirement for a site with more than one use or for adjacent sites served by a common parking facility is the cumulative total of spaces required for each site or use.
- (G) A parking facility is not required for an accessory use.
- (H) A parking facility, circulation area, or queue line constructed or substantially reconstructed after January 1, 1985 must comply with the design standards prescribed in Division 4 (*Design And Construction Standards For Parking And Loading Facilities*), the Transportation Criteria Manual, and the landscape standards prescribed in Chapter 25-2, Subchapter C, Article 9 (*Landscaping*).
- (I) In this section,
 - (1) ACCESSIBLE SPACE means a parking space for an individual with a disability that complies with the Americans with Disabilities Act (ADA) and Fair Housing Act Amendments (FHAA), as appropriate; ~~and~~
 - (2) LARGER CORRIDOR means a roadway described in Section XXXX.
 - (3) LIGHT RAIL LINE means a roadway described in Section XXXX.
 - (4) MEDIUM CORRIDOR means a roadway described in Section XXXX.
 - (5) QUALIFYING DEVELOPMENT means a development certified under Section 25-1-724 (*Certification*) and participating in the Affordability Unlocked Bonus Program.
 - (6) RESIDENTIAL DEVELOPMENT means a development subject to Division 13 (*Corridor Overlay*) of Chapter 25-2, Subchapter C.

TITLE 25. - LAND DEVELOPMENT.
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- (J) A qualifying development is not required to comply with Appendix A of Chapter 25-6 (*Transportation*) but must comply with this section.
- (1) If the parking provided by a qualifying development with more than two units is fewer parking spaces than required in Appendix A (*Tables of Off-Street Parking and Loading Requirements*), the minimum number of required off-street accessible spaces is the greater of:
- (a) one accessible parking space;
 - (b) the number of accessible spaces required under the Building Code based on 100 percent of the parking required for the use under Appendix A (*Tables of Off-Street Parking and Loading Requirements*); or
 - (c) the number of accessible spaces required under the ADA or the FHAA, as appropriate.
- (2) An accessible space must be adjacent to the site and on an accessible route.
- (3) An accessible parking space must comply with design, accessibility, and location requirements imposed by the ADA and the FFHA, as appropriate.
- (4) Accessible parking detailed in Subsection (J)(1) must be provided off-street except insofar as on-street or off-site parking is allowed elsewhere in this title.
- (K) This subsection applies to a residential development that is not located within 300 feet of a private or public primary or secondary educational facility.
- (1) A term defined by Section 25-2-XXX (Definitions) has the same meaning in this subsection.
- (2) A residential development must provide accessible spaces as set forth in Subsection (J).

TITLE 25. - LAND DEVELOPMENT.
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- (3) The required off-street parking for a residential development that is located on a light rail line or larger corridor is 25 percent of the parking required for the use under Appendix A (Tables of Off-Street Parking and Loading Requirements).
- (4) The required off-street parking for a residential development that is located on a medium corridor is 50 percent of the parking required for the use under Appendix A (Tables of Off-Street Parking and Loading Requirements).



Affordability Impact Statement

Housing and Planning Department

November 3, 2022

Amendment: C20-2022-004 Compatibility on Corridors

Description: Consider an amendment to Title 25 of the City Code to modify compatibility standards as applied to certain projects on certain corridors. (Compatibility standards limit the building height allowed on properties within 540 feet of single-family zoning or uses.)

Background: Initiated by City Council Resolution 20220609-066.

Summary of proposed code amendment

- The proposed amendment will generally reduce compatibility for a primarily residential project on a defined set of corridors: Medium, Large, or Light Rail Line. For all eligible projects on a corridor:
 - Compatibility standards will extend 300' in distance (compared to 540' today)
 - Compatibility will be triggered by zoning only (not use)
 - An additional 5' of height will be allowed compared to current standards
- Projects providing affordable housing may be granted a further reduction in compatibility:
 - Maximum height at a distance of 100' from a triggering property for projects on a light rail line
 - 65' of height at a distance of 100' from a triggering property and 90' of height at 200' from a triggering property on a large corridor
 - 65' of height at a distance of 150' from a triggering property and 90' of height at 250' from a triggering property on a medium corridor
- Minimum parking requirements are reduced for residential or mixed-use corridor properties:
 - 25% of what would otherwise be required for a light rail line or large corridor
 - 50% of what would otherwise be required for a medium corridor

Note on concurrent proposed ordinance: The proposed amendment would relax compatibility for 1,089 properties and remove it entirely for 193 properties that currently allow residential uses. If proposed amendment C20-2021-012 (Residential in Commercial) is implemented, compatibility would be relaxed for 2,155 properties and removed for 586.



Findings and Policy Considerations

Impact	Property Typology	Percent of Eligible Properties Affected
Positive	Properties with proposed relaxed or removed compatibility standards that do not pose a displacement risk and are not along highways	70% (1,919)
Neutral	Eligible parcels with existing residential use* that could be incentivized to redevelop <i>*mixed-use, mobile home or apartment/condo</i>	6% (162)
Negative	Eligible parcels located within 500 feet of a highway	25% (674)

Positive Impact

Properties with proposed relaxed or removed compatibility standards that do not pose a displacement risk and are not along highways

- **Lowering parking requirements** to 25% of current requirements along light rail lines or larger corridors and 50% of current requirements along medium corridors will lower development cost per housing unit.
- **Siting homes on corridors could increase household transit use relative to automobiles**, lowering auto-related household spending and benefiting household health^{1,2}.
- **Increasing allowed building heights by relaxing or removing compatibility by right** increases the potential housing stock that a parcel can provide.
- **Bedroom parity between income-restricted and market-rate units is a housing justice issue.** One-bedroom efficiency units are the most cost effective to build. As a result, applicants may build market-rate units with two to three bedrooms and income-restricted units with one bedroom. **The proposed ordinance precludes this from happening, requiring that “the bedroom count for affordable units shall be comparable to the bedroom count for market rate units.”** However, **parity in square footage is not required**; minimum unit size is governed instead by site development standards, such that there is a minimum unit size, but income-restricted units could be smaller than market-rate units.



Neutral Impact

Eligible parcels with existing residential use that could be incentivized to redevelop

- **Some protections against displacement are included in the proposed amendments.** An occupied multifamily building may only be demolished if it needs significant repairs amounting to 50% of the total building value as determined by the Development Services Department.
 - If demolished, "The proposed development will replace all existing units [**market rate or income restricted**] that were affordable to a household earning 80 percent MFI or below in the previous year and have at least as many bedrooms." This is a strong tool for equitably preserving affordable housing stock.
 - There are no restrictions preventing a property owner from neglecting a property until it needs significant repairs, or that exempt properties that have been neglected.
 - Housing and Planning Staff acknowledge that displacement is inherently traumatic, and that these protections aim to preclude displacement but do not stop it outright.
- **The proposed amendments include some assistance for displaced tenants.** Property owners are required to provide "relocation benefits that are consistent with Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C.A. 4601, et seq." These benefits include providing at least 90 days written notice prior to eviction and paying for moving expenses.

Negative Impact

Eligible parcels located within 500 feet of a highway

- **Living close to highways is associated with negative health outcomes.** Seniors, minors, persons with asthma, persons with diabetes, and persons of color – particularly Black persons – are at greatest risk^{3,4}. These health outcomes include:
 - **Premature death**
 - **Onset of childhood asthma**
 - **Cardiovascular disorders and mortality**
 - **Impaired lung function**
 - **Direct costs** for these conditions (medication, specialist visits, hospitalization, emergency room visits) are high. The U.S. Centers for Disease Control estimates the direct costs of asthma at \$346/month on average for individuals⁵. The degree to which insurance covers this cost (for insured patients) varies by individual, and the



rates of insurance coverage varies by race, with people of color being uninsured at higher rates than white people⁶.

- **Indirect costs** for these conditions include days of work lost due to illness, losing the ability to work at all because of illness, and increased home costs for managing illness (hiring housekeepers, delivery, etc.).
 - **Environmental Racism** puts some groups at risk more frequently, and at greater levels, than others. For example, diabetes puts people at high risk for illness from air pollution: it is most common among First Nations, Black, Latine, Asian, and white communities, in that order. Further, Black people experience worse health outcomes from airborne pollutants than white people with equal incomes. In Austin's recent history, residents of color have fought public policy that sites dangerous uses close to their homes. There is indeed a great need for affordable housing, but Austinites have made it clear that citing housing next to environmental hazards is unacceptable.
- The Housing and Planning Staff Report recommends postponing consideration of Compatibility on Corridors, such that further refining could increase the potential housing stock that the program enables. **The authors of this analysis recommend that during that time, the City carry out deep engagement with public health experts and lower-income communities of color, as these communities would experience the most severe health outcomes from highway proximity.**
- **Housing and Planning staff acknowledge the inconsistency in City policy regarding development along highways.** Many parcels with residential zoning already exist next to highways, and Compatibility on Corridors would not introduce residential uses into new areas. Since it would intensify those uses, however, staff feel it is appropriate to introduce this concern.



Final Determination

Housing and Planning Staff believe that the proposed ordinance will have an overall positive impact to housing affordability in Austin, if modified to exempt properties within 500 feet of a highway.

The proposed ordinance will increase potential housing capacity substantially for 193 properties, and marginally for 1,089 properties on corridors. The proposed amendments increase development potential but include strong protections against displacement. Intensifying residential uses along highways is associated with negative health outcomes, especially for Black people and other people of color; removing eligibility from properties within 500 feet of a highway would remove the amendments' most significant threat to household affordability and bring them in line with EPA recommendations.

Manager's Signature

A handwritten signature in black ink, appearing to read "Stephanie Greathouse".

Stephanie (Stevie) Greathouse 11/3/2022
HPD Division Manager



Endnotes

¹ Evaluating Public Transportation Health Benefits, 2020, Victoria Transport Policy Institute, https://www.vtpi.org/tran_health.pdf

² Quantifying the health benefits of transit-oriented development: Creation and application of the San Diego Public Health Assessment Model (SD-PHAM), 2022, Transport Policy, <https://www.sciencedirect.com/science/article/pii/S0967070X21002870>

³ [Disparities in the Impact of Air Pollution | American Lung Association](https://www.lung.org/clean-air/outdoors/who-is-at-risk/disparities), <https://www.lung.org/clean-air/outdoors/who-is-at-risk/disparities>

⁴ [Residential Proximity to Major Highways — United States, 2010 \(cdc.gov\)](https://www.cdc.gov/mmwr/preview/mmwrhtml/su6203a8.htm), <https://www.cdc.gov/mmwr/preview/mmwrhtml/su6203a8.htm>

⁵ [The Economic Burden of Asthma in the United States, 2008-2013 - PubMed \(nih.gov\)](https://pubmed.ncbi.nlm.nih.gov/29323930/), <https://pubmed.ncbi.nlm.nih.gov/29323930/>

⁶ [There are clear, race-based inequalities in health insurance and health outcomes](https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2020/02/19/there-are-clear-race-based-inequalities-in-health-insurance-and-health-outcomes/), <https://www.brookings.edu/blog/usc-brookings-schaeffer-on-health-policy/2020/02/19/there-are-clear-race-based-inequalities-in-health-insurance-and-health-outcomes/>



**HOUSING &
PLANNING**

Code Amendment: Compatibility on Corridors

Planning Commission
November 8, 2022

Content

- Background
- Council resolution
- Proposed draft changes
- Staff's recommendation
- Timeline



Background

- Draft LDC is suspended (March 2020)
- VMU2 is passed on 6/9/22:
 - Allows 30' additional feet for more/deeper affordability
 - Parking reduction to 25% of standard for properties on light rail lines
 - Compatibility reduced to 100' for properties on light rail lines



Council Resolution 6/9/22

- *WHEREAS, Austin is facing an affordability crisis as the housing market reaches record rents and home prices; and*
- *WHEREAS, City Council has recently passed a number of resolutions to address affordability and housing supply, including reforms for accessory dwelling units, Vertical Mixed Use, Equitable Transit Oriented Development, and affordable housing bonus programs for commercial zones; and*
- *WHEREAS, Austin voters approved substantial investments in corridor improvements, active transportation, and Project Connect in 2016, 2018, and 2020;*



Council Resolution 6/9/22

- *WHEREAS, current compatibility regulations, established in the 1980s, limit housing capacity on corridors by limiting the height of developments of properties within 540 feet of single-family properties, which is significantly more restrictive compared to cities with similar regulations; and*
- *WHEREAS, current parking minimums may require more parking than currently needed and conflict with the City's goal of reaching a 50/50 transportation mode share; and*



Council Resolution 6/9/22

- *WHEREAS, moderate changes to compatibility and parking regulations on corridors would increase affordable and market-rate housing supply and support the City's transit investments; and*
- *WHEREAS, Planning Commission, Zoning and Platting Commission, City Council, and community members have provided substantial feedback in the last 10 years on potential changes to the compatibility regulations and parking minimums; and*
- *WHEREAS, the Austin City Council is committed to enacting policy changes to increase housing capacity and support transit investments on corridors;*



Council Resolution 6/9/22

- For a residential or mixed-use project on light rail, large corridors, medium corridors:
 - Compatibility ends at 300' in distance from triggering property (zoning only)
 - Additional 5' in height
 - Parking reduced to 25% (light rail and large corridor) or 50% (medium corridor)

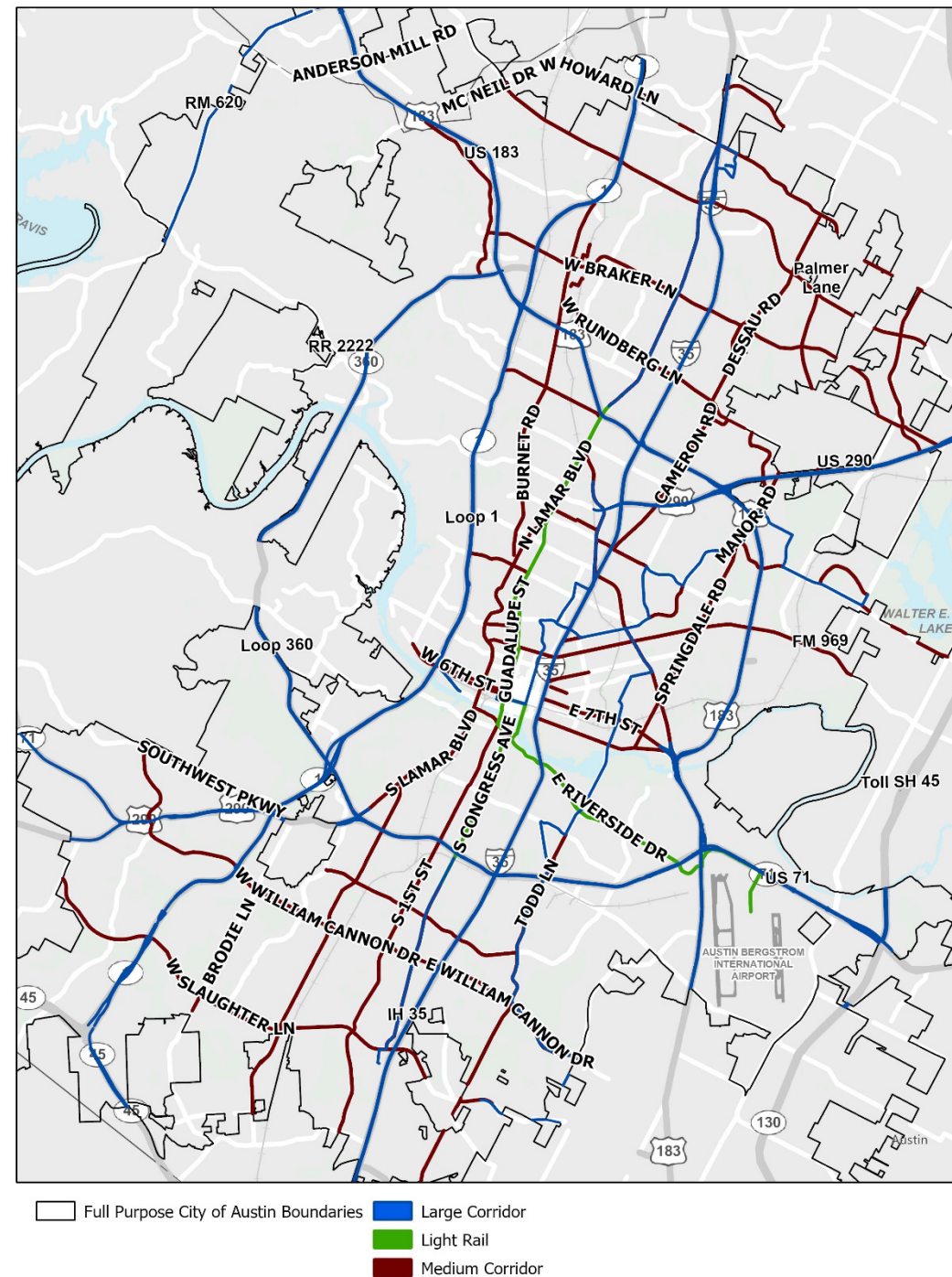


Council Resolution 6/9/22

- For a residential or mixed-use project on specified corridors providing affordable housing:
 - Maximum height at a distance of 100' from a triggering property for projects on a light rail line
 - 65' of height at a distance of 100' from a triggering property and 90' of height at 200' from a triggering property on a large corridor
 - 65' of height at a distance of 150' from a triggering property and 90' of height at 250' from a triggering property on a medium corridor

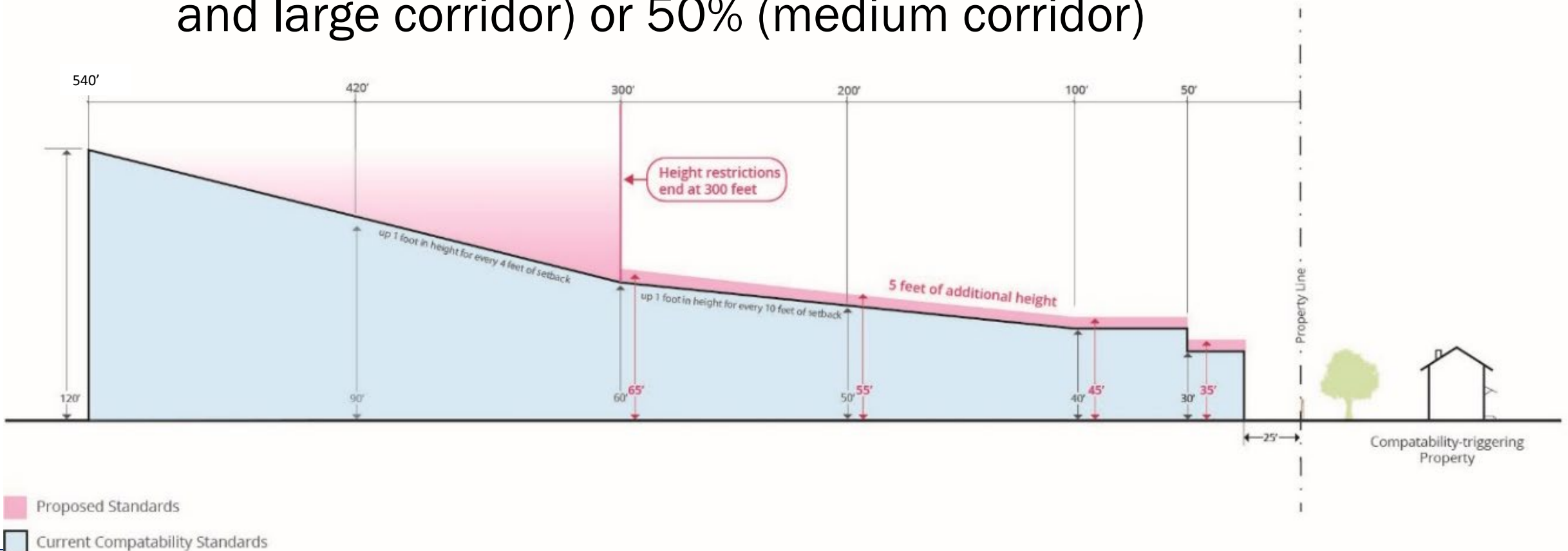


Proposed draft changes: Applicability



Proposed draft changes

- Relaxed compatibility + parking reduced to 25% (light rail and large corridor) or 50% (medium corridor)





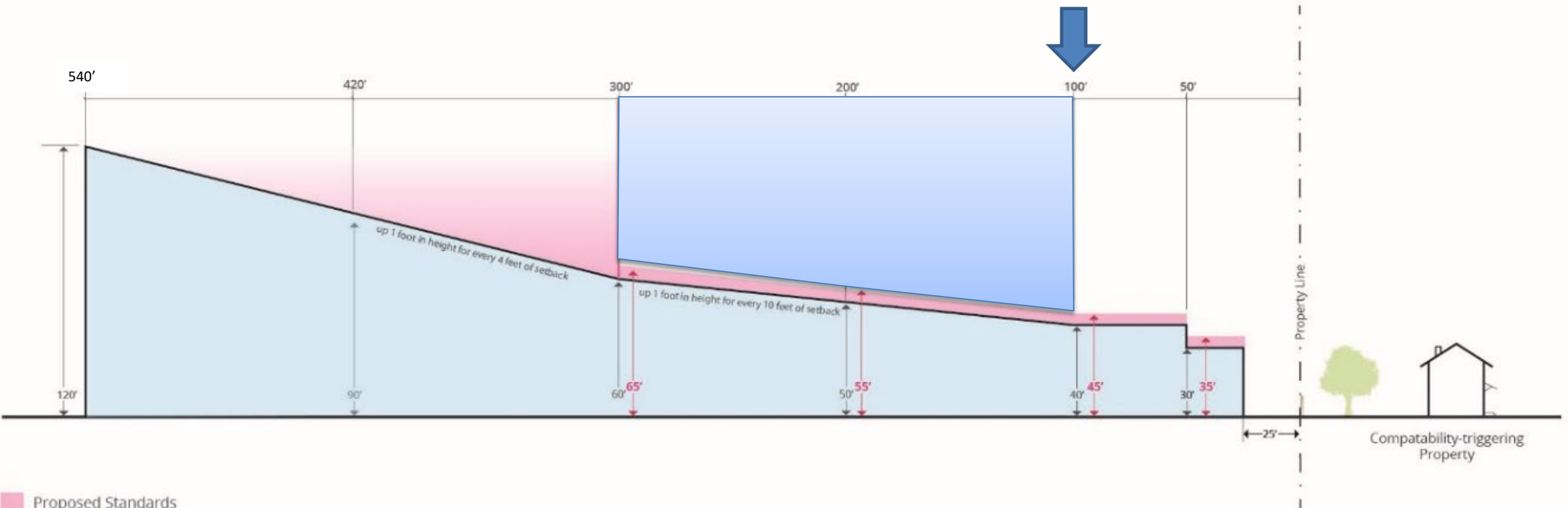
Proposed draft changes

- Affordable housing required for additional relaxation:
 - Rental: 10% @ 60% MFI, 40 years
 - Owner: 10% @ 80% MFI, 99 years
 - Fee-in-lieu allowed



Proposed draft changes – Light Rail Corridors

Light rail: compatibility ends



Proposed Standards

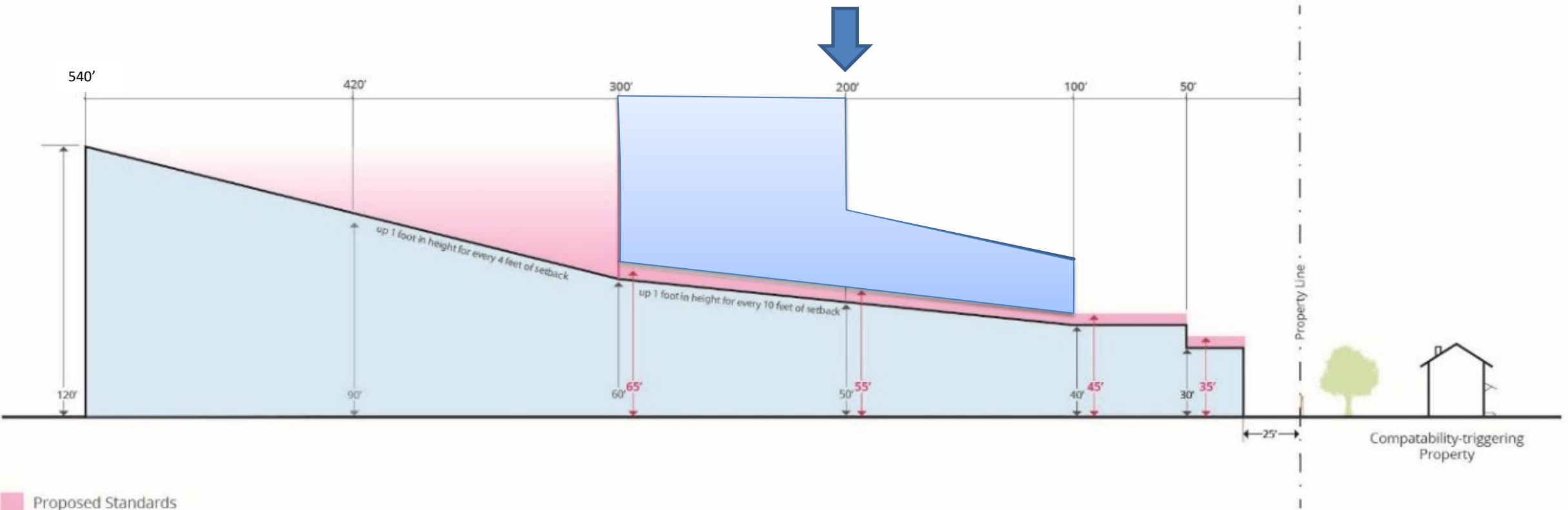
Current Compatibility Standards

Additional potential buildable area when using the affordable housing bonus, but maximum height is also limited by zoning



Proposed draft changes – Large Corridors

Large corridor: compatibility ends



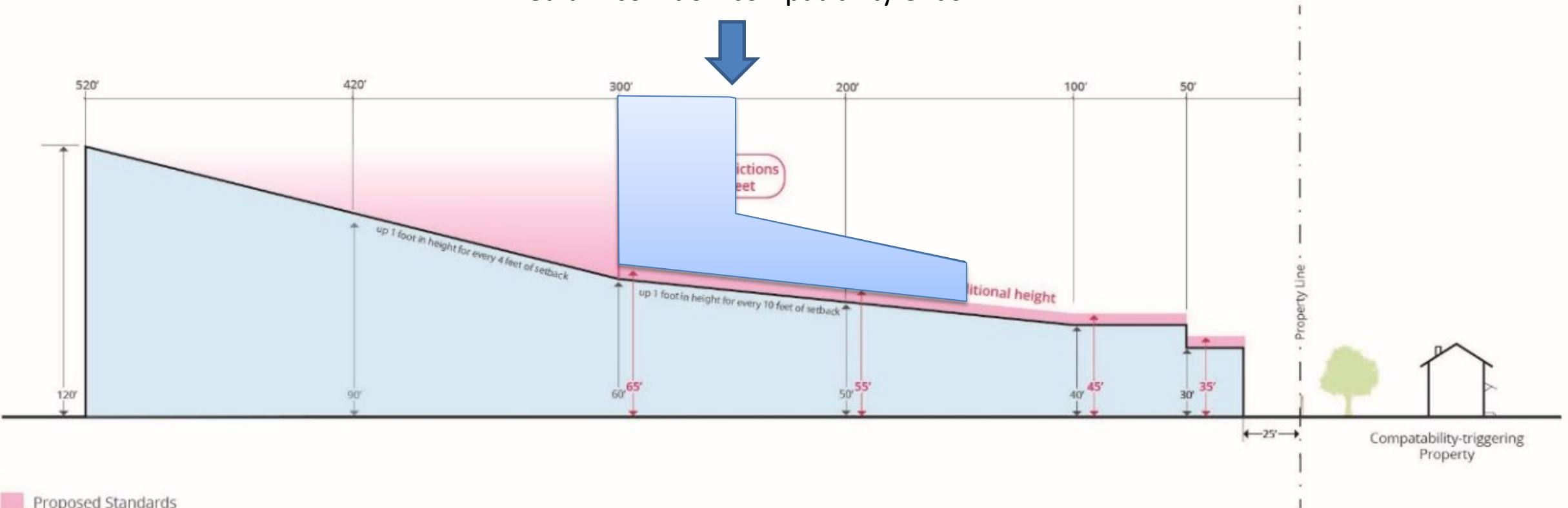
Proposed Standards
Current Compatibility Standards

Additional potential buildable area when using the affordable housing bonus, but maximum height is also limited by zoning



Proposed draft changes – Medium Corridors

Medium corridor: compatibility ends



Proposed Standards

Current Compatibility Standards

Additional potential buildable area when using the affordable housing bonus, but maximum height is also limited by zoning

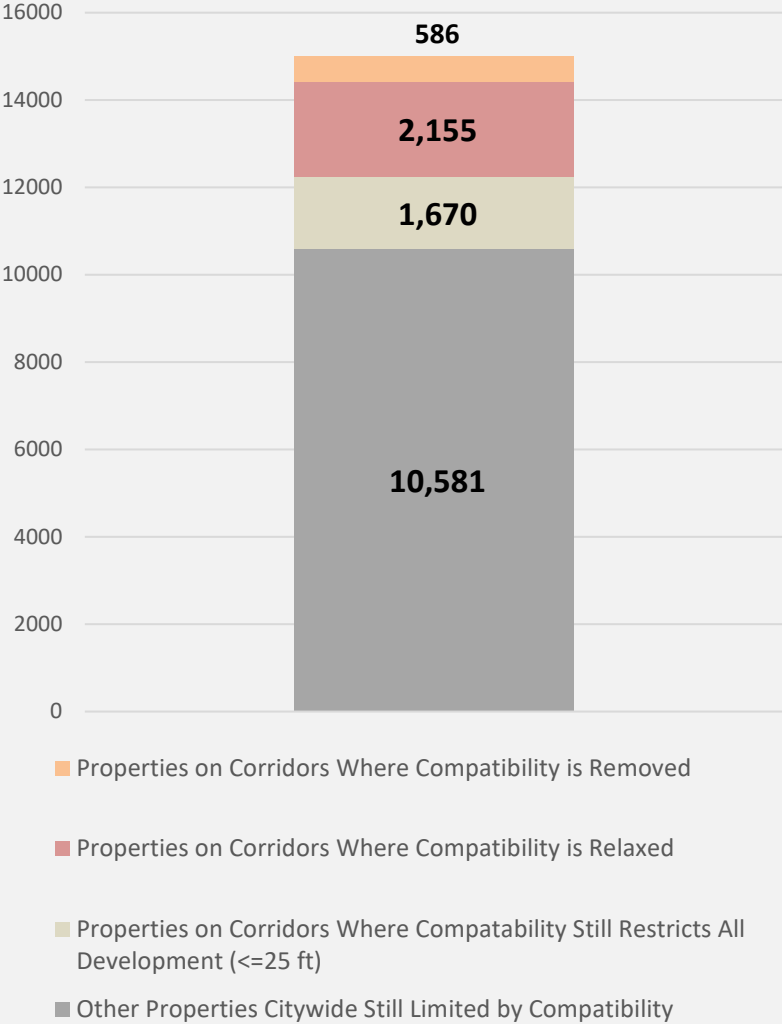


Staff's recommendation

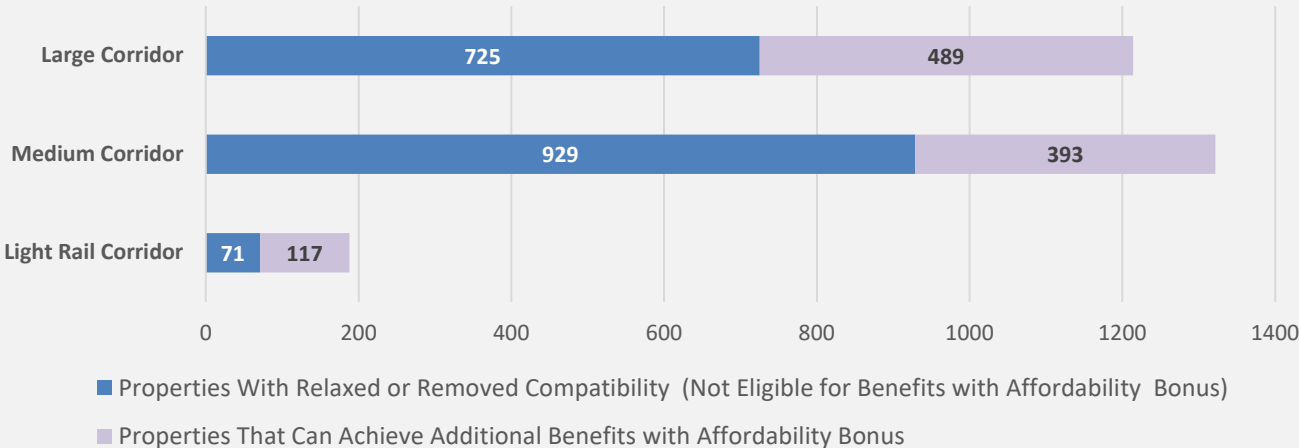
- Analysis Finding: Minimal Impact
 - Not participating in affordable housing bonus:
 - 13% of corridor properties have compatibility completely removed
 - 49% of corridor properties have compatibility relaxed, but additional 5' in height is not enough to accommodate an extra story of development
 - 38% of corridor properties receive no benefit
 - With participation in affordable housing bonus:
 - Light rail corridor: 62% of properties have compatibility height restrictions relaxed or removed
 - Large corridor: 40% of properties have compatibility height restrictions relaxed or removed
 - Medium corridor: 30% of properties have compatibility height restrictions relaxed or removed



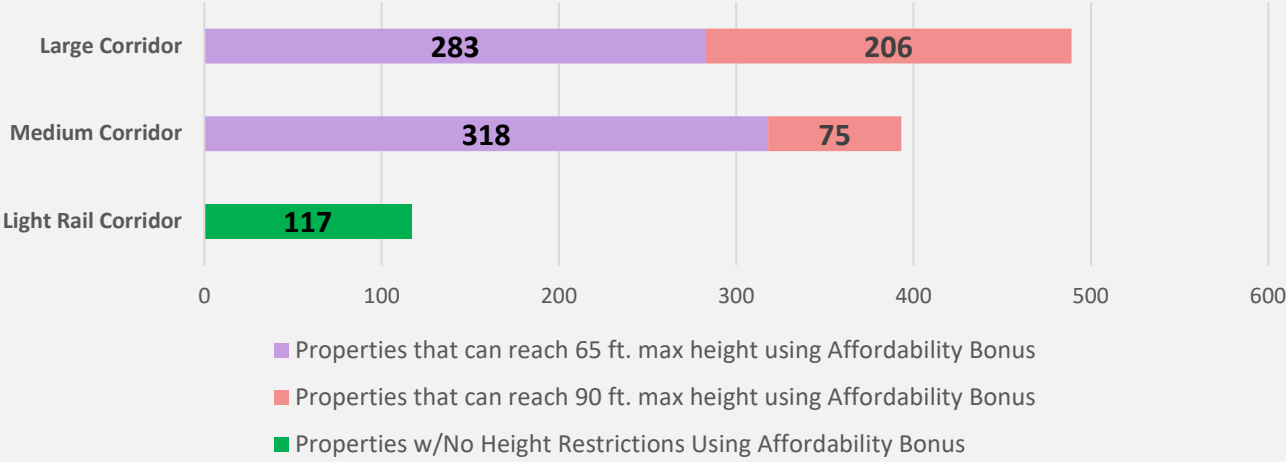
**Total Properties Impacted by
Compatibility Under Proposed Standards**



**Total Properties With Relaxed or Removed Compatibility vs.
Properties That Can Achieve Additional Benefits w/Affordability
Bonus Under Proposed Standards**



**Properties That Can Achieve Additional Benefits with Affordability
Bonus by Corridor Type Under Proposed Standards**





Staff's recommendation

- Analysis Finding: Minimal Impact
 - Added complexity:
 - Three separate, differing compatibility standards
 - Confusing and unpredictable for public, developers, staff



Staff's recommendation

- Not recommended as drafted: postpone and reconsider with other amendments that have recently been initiated
- Draft LDC compatibility standards could be a good starting point



Timeline

- 10/19/22: Codes and Ordinances Joint Committee
- 11/8/22: Planning Commission
- 11/10/22: Council Housing and Planning Committee
- 12/1/22: Council